



**Office of Attorney General
Lisa Madigan
State of Illinois**

**REQUEST FOR QUALIFICATIONS
AND PROPOSALS**

National Foreclosure Settlement Awards
Housing Counseling and Community
Revitalization

December 21, 2012



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BACKGROUND AND INTRODUCTION:

Utilizing funds recovered by Attorney General Lisa Madigan as part of the National Foreclosure Settlement, the Office of the Illinois Attorney General is pleased to announce its Request for Qualifications and Proposals (RFQ / RFP) for entities to provide proposals to mitigate the effects of Illinois' foreclosure crisis by: 1) providing housing counseling services to renters, and current and future homeowners; 2) providing mortgage acquisition or restructuring support to families affected by foreclosure; 3) investing in neighborhoods that have been destabilized by vacant and abandoned properties through collaborative partnerships; and, 4) providing expertise to groups working to provide housing counseling services or to revitalize neighborhoods. Respondents should advance comprehensive, data-driven and sustainable strategies in targeted areas statewide.

Funding resources available stem from Madigan's role in securing a \$25 billion national settlement in April of 2012 with the nation's five largest bank mortgage servicers – Bank of America, JPMorgan Chase, Wells Fargo, Citibank and Ally Bank, formerly GMAC. The settlement addressed allegations of widespread “robo-signing” of foreclosure documents and other fraudulent practices while servicing loans of struggling homeowners. The settlement also provides direct relief to affected borrowers in Illinois and overhauls mortgage servicing standards to prevent future abuses by lenders that many consumers have faced while trying to save their homes during the foreclosure process.

As a result of the settlement, homeowners in Illinois will receive approximately \$1 billion in principal reductions on their mortgages and other loan related relief. Illinois also received over \$100 million in funds to provide grants to ameliorate the damage done by the foreclosure crisis.

Madigan's announcement is part of a multiple step process to distribute the National Foreclosure Settlement funds allocated to Illinois to help residents and communities recover from the foreclosure crisis. Already, \$23 million has been made available or distributed for legal assistance services for borrowers and renters and start-up foreclosure court mediation efforts in Illinois.

In addition, up to \$70 million in funding will be available over the next three years to bolster, expand and connect proven housing counseling and revitalization strategies in hardest hit geographic areas through out Illinois.

Where appropriate, these funds will be utilized to prioritize sustainable, collaborative efforts in targeted areas (neighboring blocks, community areas, municipalities or counties) that respond to local needs, opportunities and capacities. Funds will support the alignment and collaboration of key public and private sector partners who are helping owners and renters destabilized by the foreclosure crisis. Resources will further be prioritized for acquisition and/or redevelopment in geographic areas that have a high number of vacant and abandoned properties in order to attract new buyers and renters as part of strategic revitalization efforts.



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Rather than duplicating existing programs, this current round of funding is designed to complement and supplement other foreclosure response efforts, and among other things, enhance the initial National Foreclosure Settlement awards.

Applicants proposing high impact initiatives and redevelopment projects, which can be accomplished or can achieve significant milestones within this three year timeframe, will be most competitive.

“This settlement sought to help struggling families to save their homes and rebuild communities devastated by the housing crisis,” Madigan said. “This grant funding will do both—help more people stay in their homes and invest in renewing our neighborhoods.”

U.S. HUD Secretary Shaun Donovan applauded this geographically-targeted approach.

“Attorney General Madigan has been at the forefront of our national efforts to assist struggling homeowners while bolstering foreclosure prevention and response initiatives,” said Secretary Donovan. “Not only has the Attorney General joined many of her colleagues in helping homeowners, she is working to get these dollars to housing counseling and legal services groups so that homeowners can benefit directly.”

ELIGIBILITY

The Illinois Attorney General is currently accepting applications from four types of applicants:

- 1) Priority will be given to **teams** pursuing coordinated strategies, leveraging in-kind resources, and advancing local plans to address foreclosures and revitalization in a geographically defined area within Illinois. Team members may include, but are not limited to, the following types of entities:
 - Housing counselors (preferably community-based, perhaps in conjunction with neighboring or regional counterparts);
 - Developers;
 - Community outreach/organizing/marketing experts;
 - Philanthropic organizations;
 - Financial Institutions
 - Community Development Financial Institutions;
 - Public sector leaders;
 - Realtors;
 - Employers; and,
 - Court foreclosure mediation programs to be funded by the July 2012 Attorney General RFP.

Although not all team members will be receiving funds, team members will be working together strategically. Teams should identify a nonprofit prepared to serve as team leader and act as fiscal agent for the team members. Preferably, team members will have worked together effectively in the past, or are coming together now to meet and identify need. In



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either case, teams should have a clear plan for working together on the proposed program.

- 2) **Nonprofit housing counseling organizations(s)** working in an identified geographic region in Illinois, but not submitting an application as part of a team. Counseling agencies should have successful experience assisting households who are: (i) homeowners facing or at risk of facing foreclosure, (ii) tenants in properties that are facing or at risk of facing foreclosure, and/or, (iii) in areas with a significant number of vacant/abandoned buildings, buyers or renters.
- 3) **Nonprofit or for profit housing developers or entities** with successful relevant experience and a plan already in the finance or implementation stage to purchase, build and/or rehab vacant or abandoned buildings and/or land in a geographically defined area in Illinois.
- 4) **Experts** who either currently, or with grant funds, could provide technical assistance statewide to all of the entities selected from the first three categories. These experts should help to ensure best practices and consistency in approach across programs while maintaining local control. The experts should assist with the formation of high quality work plans and capacity building to ensure the promotion of long-term benefits to targeted areas that will outlast the availability of settlement funds.

Examples of experts sought under this category include, but are not limited to, the following:

- **Entities that can collect, map, analyze and interpret block-level data, statewide, including** (i) foreclosure trends, (ii) vacant and abandoned properties, and (iii) mortgage delinquencies (30, 60 and 90 day notices and court filings). The entity selected in this category will also help determine priority redevelopment areas and refine geographic boundaries for selected entities.
- **Technical assistance** providers to support some or all of the selected entities to ensure that their services, programs and products adhere to the highest quality and "best practice" standards in areas including, but not limited to, the following: housing counseling, rehab/development, scattered site management, subregional planning, neighborhood marketing, accommodating special needs populations, and mortgage note acquisitions or restructuring. Priority will be given to providers with a track record, or plan in place, to provide services statewide. Technical assistance providers may also be needed to help some selected entities ensure efficiencies in service delivery and organizational capacity needed to sustain long-term support and assistance in identified geographies, as well as helping teams work collaboratively. For example, in areas with more than one counseling agency struggling to address severe local demands, organizational expertise might be needed to align, coordinate and maximize local efforts with an eye towards sustainability and capacity building.



QUALIFICATIONS

All RFQ / RFP applicants should provide the following supporting documents for stand-alone applicants, statewide experts and those team members actually requesting funds:

- Audited financial statement, tax returns and/or 990 for the past 2 years
- Most current interim financial statements, including quarter-end income statement, projected 2013 income sources, and balance sheet, if available.
- Bios for key staff
- Board list, including affiliations, for nonprofit applicants
- IRS 501 (c)(3) Determination Letter for nonprofit applicants

Proposals

Respondents should provide the following documents:

- Proposed outcomes, cost per outcome, and basic budget information (via Appendix A).
- A full project budget, if available, including Sources and Uses, and a narrative / justification for costs.
- A map of identified geographic project area, with the data described in the narrative portion of this grant proposal related to needs and opportunities in this area.
- Support letters from key public and private sector partners addressing their commitment to this strategy.

Applicants may be asked to provide further documents before final selections are made.

Narrative Questions

Respondents should submit a narrative (not to exceed 10 pages) that answers the questions below and takes into consideration the subsequent evaluation criteria.

- 1) Into which of the four eligible respondent categories listed on pages 2 and 3 do you fall? Please briefly describe your organization, or each organization on your team, including an explanation of your track record (including successes, challenges, lessons learned and capacity building needs) related to primary outcomes proposed in Appendix A.
- 2) If relevant, please describe if/how the team already works together, or—even if this is a new venture—how the team intends to work more closely using these resources. Please include a description of current and proposed roles and responsibilities, capacity building philosophy, and relationship between team leader and other partners, if applicable.
- 3) What is your proposed service or strategy, and the outputs identified to achieve the primary outcomes listed in Appendix A? Do you have a minimum or a maximum number of outcomes you are proposing, and why?



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- 4) Please describe the challenges you are facing in your targeted area, clarifying (a) proposed geographic boundaries of counseling, outreach redevelopment strategy and/or technical assistance you are pursuing, as well as (b) relevant data informing (and still needed) for the proposed strategy (e.g. related to foreclosures, vacant/abandoned property, mortgage loan delinquencies, local assets guiding development priorities and/or demand for your technical assistance).
- 5) Please describe readiness to proceed, including resources you have secured, or intend to secure, for this effort, and a proposed implementation timeline. Given other resources available or pending for this type of work, please explain where the resources available through this RFQ / RFP are uniquely needed.

EVALUATION CRITERIA

Responses will be evaluated using the following criteria:

- Soundness of approach, financial stability of partners, and degree to which past and current work plans reflect progress and best practices, especially in geographies with the greatest needs and most strategic opportunities.
- Demonstrated knowledge of the target populations and geographies.
- Demonstrated commitment of the applicants, if relevant, to capacity building, and to working with key stakeholders, including housing counselors, housing developers, outreach and communications experts, and local policymakers, as well as legal assistance and court mediation efforts previously funded with National Foreclosure Settlement dollars.
- Demonstrated ability to leverage relevant expertise and resources in the targeted geography, e.g. working with realtors, employers, philanthropic organizations, financial institutions, and/or local government. The ability to leverage financial resources leading to greater impact is desirable.
- Priority will be given to strategies, programs, development or land acquisition strategies that can begin quickly.
- Impact and cost-effectiveness of outcomes sought.
- Clarity of objectives, demonstrated demand, and probability of success.
- Quality of letters in support of grant proposal.

GUIDELINES AND TIMING

- Successful respondents will be asked to submit additional information, and invited to work with representatives from the Attorney General's Office in shaping and finalizing a work plan and budget.
- Questions regarding the Request for Qualifications / Request for Proposals must be submitted in writing to kpulliam@atg.state.il.us. In addition to providing individual responses, the Office of the Attorney General will also publish Frequently Asked Questions and host a conference call for further discussion.



OFFICE OF ILLINOIS ATTORNEY GENERAL LISA MADIGAN

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- On February 15, 2013 responses are due by mailing (or hand-delivering) 2 hard copies and 1 copy on a jump drive to:
Kim Pulliam
500 S. Second St.
Springfield, IL 62706
Do NOT send responses via electronic mail.
- Respondents may be required to modify or change proposals through out the selection process.
- Beginning in April, 2013, the Attorney General will begin entering into one, two or three year agreements, on a rolling basis, with renewals (where applicable) contingent upon annual performance reviews, grantee's ability to meet the grant agreement terms, and demonstrated continual need for funds and services.
- No more than 15% of grants awarded may be used for overhead costs.
- Funds distributed by the Attorney General shall be subject to the terms in a grant award contract.